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Closing the gaps
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ABSTRACT: Computer networks have garnered their fair share of attention within the parcel shipping industry. The buzz word is "integration." It illustrates a growing need for communication links beyond the construct of Electronic Data Interchange. Parcel carriers and third party providers both are positioning themselves to take advantage of evolving networking technologies. The Internet is playing a key role. Internet technology illustrates an effort to expand the reach of EDI networks by opening international information to all participants of the supply chain. Making the most of that technology requires an understanding of its benefits and limitations. The Internet can be a viable tool. But it is currently incapable of standing on its own. Using Internet applications in alliance with software and EDI can effectively expand the breadth of business relationships for parcel shippers.
TEXT: Headnote:

NEW ENHANCEMENTS TO INTERNET TECHNOLOGY BRING PARCEL SHIPPERS CLOSER TO CUSTOMERS

Networking used to mean making business connections over cocktails. Clinking glasses and a nip of whiskey were virtual tools of the trade. Today, "networking" more likely refers to computer lines than lines at the bar. Strong business relationships are constructed and maintained over electronic wires. There are VANs (valueadded networks), intranets, extranets and, of course, the Internet. Whether you're zipping along the left-hand lane or thumbing down the shoulder of the "information superhighway," businesses are moving towards electronic network technology.

Recently, computer networks have garnered their fair share of attention within the parcel shipping industry. The buzz-word is "integration." It illustrates a growing need for communication links beyond the construct of Electronic Data Interchange (EDI). Parcel carriers and third party providers both are positioning themselves to take advantage of evolving networking technologies. The Internet is playing a key role. Recent announcements by both groups have focused on enhancements to Web platforms. Granted, the Internet has its limitations. Connections can be slow; the amount and type of accessible data is limited; telephone lines can get interrupted; etc.

Regardless of its shortcomings, Internet technology illustrates an effort to expand the reach of EDI networks by opening internal information to all participants of the supply chain. Mark Rhoney, vice president of strategic marketing with United Parcel Service (UPS), underlines this point: "The Internet is, in my mind, a living example of the next generation of network technology and software. Whether or not the software of the future lives on the Internet isn't as important as the network technology it demonstrates."

Making the most of that technology requires an understanding of its benefits and limitations. The Internet can be a viable tool. But it is currently incapable of standing on its own. Using Internet applications in

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alliance with software and/or EDI can effectively expand the breadth of business relationships for parcel shippers.

(Illustration Omitted)

Captioned as: TMS-Net is a comprehensive transportation pricing mechanism elevated on an Internet platform via IBM's new AS/400e series of hardware. Software versus the Internet

A few years ago, parcel carriers put PCs on the loading docks of their major shippers and handed out software programs by the fistful. Some of these PCs are stand-alone platforms (i.e. lacking connections to a network); some are hooked into the carrier's database. Both allow shippers access to shipping information. "Carrier-provided software is generally all the same," according to Bram Johnson, Director of Marketing with RPS. The software generates cost evaluations, prepares essential forms, and can create package bar codes. Johnson continues, "You can move big hunks of data around. [If on-line with the carrier,] you can trace by date, and if it turns out there are a thousand packages in shipment, you can download and manipulate that information."

"You can't do that on the Internet. I think our goal is for that piece of RPS supplied software to disappear. But the Net isn't there yet." To satisfy the needs of shippers using large amounts of data, software continues to be the key.

Carrier-supported software provides additional benefits for shippers. "It has no maintenance or upkeep costs for the customer," says UPS's Rhoney. That's no-cost for the first installation or for improvements in functionality. This is of fundamental significance when it comes to international shipping because those programs are being continually updated." In other words, software is cheap, it's low-maintenance, and it works.

It's also limited in scope. A change of perspective regarding information sharing is running through the parcel shipping community. More and more, that perspective focuses on consignee needs. Johnson explains, "I really think the revolution will be to the consignee. Currently, the shipper knows everything-when they shipped it, what's in the box, who it's going to, and whether it shipped on time. It's getting the information from the shipper to the consignee and adding on carrier information that's increasingly important." If not connected to a VAN, consignees must go through customer service reps and reams of paper to obtain shipment informarion, often a frustrating and time-consuming process.

The Internet is a working solution to getting that information to consignees. "To get to the consignees, we've put information similar to what is found in our software out on the Web," says Alan Boehme, director of business planning with DHL Worldwide Express. "The Internet allows us to have more integration capabilities with our customers. We just have to be smart about how we take advantage of it."
The Net is a relatively cost effective means of hooking into a network system. Once you've invested in the hardware and gotten yourself an ISP (Internet Service Provider), relatively little else needs to be done. There's no tedious interfacing of incompatible systems. In addition to providing benefits to consignees, smaller parcel shippers can reap the cost benefits of utilizing Internet information bases, as well. NASSTRAC (National Small Shipments Traffic Council) intends to promote Internet use within the small shipping community during its annual education seminar. President Stu Slifkin advoca.es the Net as the potential enabler for smaller shippers: "Properly used, the Internet can reduce costs for all sides of the shipping community."

Despite its drawbacks, it is a working tool. It can be used with proficiency or inaccuracy. Tellingly, Internet applications are growing and improving at a head-spinning pace. To reap the most benefits with the fewest frustrations, Internet applications should be limited. Tracking one shipment at a time, or obtaining a few documents is a practical application. Downloading a glut of data is not. Following are some recent enhancements to Internet platforms which can improve the way parcel shippers do business.

Carrier-supported web sites: a network of change
DHL's Electronic Shipment Advisory is designed for use with DHL's EasyShip software package. EasyShip software allows shippers to electronically prepare the shipment form. Electronic Shipment Advisory, which is supported by AT&T's communication network, then sends the document via e-mail to the customer receiving shipment as a pre-advise notification.

A unique attribute of the email document provides a direct link to DHL's tracking page on their web-site using the shipment air **waybill** number. The customer receives the electronic notice and can immediately click onto DHL's site and locate their package. For foreign shipments, the new service can translate an English message into the language of many destination countries. URL: www.dhl.com

FedEx's interNetship has several new components. The site supports an "address book" capability which allows shippers to store information for 75 frequent customers to speed up printing of shipping labels and air **waybills** . Shippers can email recipients through FedEx's network, transferring package information to customers. And the site now provides shipping options for the company's range of delivery programs, e.g. FedEx Priority Overnight, FedEx International Priority, FedEx Standard Overnight, etc. URL: www.fedex.com
UPS recently announced a partnership with IBM and Lotus to incorporate electronic commerce formats within the UPS web site. Though the new package will initially support only UPS shipping and tracking components, UPS intends to incorporate their whole suite of offerings in the near future. URL: www.ups. com

(Table Omitted)

Captioned as: Fast facts about parcel carriers' web sites:

RPS has a couple of unique components on their web site. One is called "SPIF-Net:" Supplemental Package Information-Net. It assists small shippers by allowing the creation and transmission of a document formatted within EDI standards. "If a consignee demands the purchase order number in some kind of an EDI transmission, small shippers can now satisfy them," says Johnson. To assist consignees with liability issues, RPS also includes a digital image of the person's signature who signed for the package. URL: www.rps.com

Third-party solutions Third party providers as well have caught onto the expanding emphasis on networks. Though carriers may currently provide the lion's share of Internet and software solutions for the parcel shipper, third party systems are a viable alternative for parcel shipping companies with high transportation costs. Again, strong networks reaching to the consignee are key, something which was not necessarily generated by EDI. "Transportation systems are typically closed," according to Michael Bireley with Cass Logistics. "Within them, information is only available to the logistics and transportation groups. For the transportation and parcel industries to take their next leap forward into a commodity-marketplace arena, those systems need to open up."

To pry open these systems, third parties are moving into Internet

capabilities focusing on consignee needs. For those companies with high transportation costs who are prepared to invest in a viable, robust system, here are two worth investigating:

Cass Logistics Software has partnered with IBM to provide a software/hardware solution designed to help small and medium-sized-businesses maximize their transportation pricing systems via the Internet. Cass's software program is called TMS-Net and is designed to run on IBM's newly released AS/400e series.

"TMS-Net allows users to profile transportation cost at any point along the Supply Chain Management profile" says Bireley, "from order entry through distribution through reconciliation of transportation cost." The software handles any pricing thrown at it. To meet the needs of international consignees, the software deals in just about any type of currency. It can convert currencies and allows the user to choose a currency based on current exchange rates.

IBM's AS/400e series maximizes the software's potential. AS/400e is a newly released hardware package designed for Internet applications. It includes extensive security options along with increased storage and memory space designed specifically to take advantage of conducting business over the Net. Cass Logistics is so excited with this new IBM series, they have no plans to commit the TMS-Net software to any other platform. Bireley says, "This is the most progressive platform IBM has today. They have nothing even close to this Internet line that addresses client-server requirements."

Varsity Logistics has designed a complete software package for shippers demanding a comprehensive supply chain management tool. Varsity's software goes beyond the shippers' dock to link with major carriers' databases in an EDI environment. Varsity's track record is a plus: they were the first company approved and certified for hookup into carriers' databases. The Varsity system can accommodate a variety of needs from preparing and sending an ASN, to generating carrier-specific bar code labels, to communicating shipment status information across international boundaries in one of five languages.

The scope of the software is expanding. "Previously, we focused a lot more on carrier requirements," says Carol Lee, President of Varsity. "Now we're getting into consignee requirements." To better meet those requirements, Varsity will move their program onto an Internet platform.

This fervor for Internet capabilities doesn't render EDI obsolete. Putting transportation pricing and routing information out on the Web illustrates the changing nature of parcel shipping. Customer service equals competitiveness. "This is the point of competition," says DHL's Boehme. "The Internet allow us to have a lot more integration capabilities with our customers, much more so than our software-only provided by a transportation company." Make strong business connections over networks, then toast your savvy with a nice glass of whiskey. T&D

Sidebar:

The UPS strike posed a challenge to smaller parcel shipping companies to pick up the slack Transportation software played a big role in determining success levels. Force Transportation of Pasadena, TX reaped the benefits of a solid information system. Force operates 40 vehicles under 50 employees. Using a system designed by ANSCAR out of Glendale, CA, Force successfully met the demands of an instantaneous 25% increase in service loads. Co-owner Randall Force says, "Without our computerized dispatching system ! probably would have had to turn down 50% of the UPS overload."For information on ANSCAR, circle 250

Sidebar:

For more information on these products and services, circle the appropriate numbers on the Reader Service Card in this issue. DHL Electronic Shipment Advisory: circle 243

FedEx

interNetship: circle 244 UPS electronic commerce: circle 245 RPS SPIF-Net: circle 246 Cass Logistics TMS-Net: circle 247 IBMAS/400e series: circle 248 Varsity Logistics software: circle 249

ANSCAR transportation resources: circle 250
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